

REGIONAL COOPERATION
ON
CRITICAL ISSUES CONFRONTING
THE ASIA/PACIFIC REGION

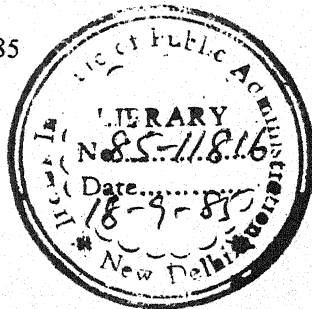
VICTOR HAO LI
President
East-West Center
Honolulu, Hawaii

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FOREWORD

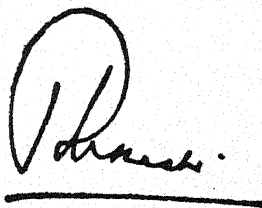
The IIPA established Annual Endowment Lecture series in the year 1983 as one of the activities, supported out of the interest accruing on the Fund to which munificent contributions were made by several state governments.

The first lecture under the series was delivered on March 29, 1983 by Prof. W. H. Morris-Jones on "Legislatures in the New States", and the second on March 28, 1984 by Shri P. V. Narasimha Rao on "South-South Cooperation". Both of these have already been printed.

The third lecture was delivered on March 29, 1985 by Dr. Victor Hao Li, President, East-West Center, which is one of the biggest academic institutions conducting research on topics of regional cooperation.

The lecture focuses on possibilities and significance of regional cooperation in economic development between countries of Asia and Pacific region. The areas identified by Dr. Li in this regard are: population control, energy needs, management environment, preservation of cultural heritage, integration of information for the benefit of nations in the retention and strengthening of the two-way inter-active communication.

It is hoped that the lecture would provide some potent ideas for developing a greater multilateral cooperation in the region to promote mutual economic gains.



(P. R. DUBHASHI)

Director

INDIAN INSTITUTE OF
PUBLIC ADMINISTRATION

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REGIONAL COOPERATION ON CRITICAL ISSUES CONFRONTING THE ASIA/ PACIFIC REGION

VICTOR HAO LI

I would like to thank the Indian Institute of Public Administration, and Dr. Dubhashi, for the honour you have bestowed on me and the institution I represent by inviting me to speak before this very distinguished audience.

All of us would agree that the theme of "Cooperation in the Asia/Pacific Region" is an important one. We could approach it in a number of ways. At one level, we could discuss the principle of the desirability of such cooperation. I would like to take a different approach today and explore some specific possibilities for such cooperation.

As President of the East-West Center, it is my hope that our institution would some day become a household word in India, but I do not think we are there yet. So I hope you will excuse me for taking a few minutes of your time to tell you about the Center, since this background may be helpful in discussing more specific aspects of regional cooperation.

EAST-WEST CENTER

The East-West Center was founded 25 years ago by an Act of the US Congress: "... to promote better relations and understanding between the United States and the nations of Asia and the Pacific through cooperative study, training, and research . . ."

At the beginning, the idea of cultural and technical interchange between east and west started out as an international student exchange programme, a sort of 'halfway house' for the many non-US students seeking an American undergraduate education in the early 1960s. The Center itself was located in the multiethnic community of Hawaii by the US Congress for the specific purpose of providing a comfortable climate for the many young men and women of Asian and Pacific countries experiencing their first years away from home.

At the same time, the Center's activities also included scholars, leaders, public officials, middle and upper level managers and public administrators and graduate students from the region. These people were brought together at the Center to collaborate on research projects or to participate in workshops, seminars, and conferences.

Of these numerous individuals, those participants from India truly stand out, being among our earliest and most prominently active supporters. The Center has benefited greatly from the advice and intellectual input provided by many distinguished Indians, some of whom are present here today. In the time available, it would be impossible for me to mention even a small fraction of them by name.

The former Vice-Chancellor of Jawaharlal Nehru University, Dr. B.D. Nag Chaudhuri, served on the East-West Center's Board of Governors from its inception up to 1984, and chaired its Programme Committee for several years. He is still making important contributions to the development of our programmes as a member of the East-West Center's International Advisory Panel.

In a less formal way, we have benefited from the valuable advice given by Shri K.C. Pant, the Education Minister, Dr. T.N. Khoshoo, the Secretary of the Department of Environment, Dr. R.K. Pachauri, the Director of the Tata Energy Research Institute, and other distinguished participants who I know are in the audience, as well as our host, Dr. Dubhashi.

Overall, more than 1,000 persons from India have taken part in our programmes, including over 150 who have received master's degrees and 75 who have received doctorates in many fields.

One of the most striking things about the Center is how it has changed as the needs of the region changed. As international student programmes became more firmly established in larger numbers of colleges and universities across the United States, and as the number of good universities in Asia increased greatly, the Center's student programme focused more at graduate level work and its activities became much more research oriented. The Center is now organized into problem-oriented institutes which work on such policy issues facing the countries of the Asia/Pacific region as population, energy, trade, communication systems, environment and resource development. A student's graduate work is incorporated with the ongoing professional staff research projects in these areas not only as practicum but as a means of developing collegiality in addressing problems of common concern in the region.

ECONOMIC GROWTH IN ASIA AND THE PACIFIC

As you well know, the Asia/Pacific region is truly changing. It has exhibited tremendous dynamism and enormous growth on all fronts. For much of the 1970s, while the United States and Europe were moving along at a sluggish growth rate of three per cent or less, areas such as South Korea, Singapore, Hong Kong and Taiwan—the newly industrialized countries, or NICs—were growing at around 10 per cent a year, and the other nations of Southeast Asia—Malaysia, Thailand, Indonesia, and until recently the Philippines—were not far behind. In the past several years, China also has shown a remarkable upturn. The resurgence of Japan from the destruction of World War II to become a leading industrial power is well-known, of course.

While growth in South Asia has been slower, our studies show that the conscious rearrangement of development priorities in favour of agriculture during the 1960s has

achieved a satisfactory rate of growth in this sector, particularly in food production. This has contributed to export earnings, reduction in food deficits and imports, and expansion in domestic demand for the growth of other sectors in the economy.

Ten years ago, few would have predicted that India would have attained near self-sufficiency in food production. The stronger performance in agriculture was made possible by large investments in rural infrastructure—irrigation facilities, roads, extension services, and the rapid diffusion of technology. Public policies were able to maintain price structures for agricultural output and input, creating a favourable climate for farmers and the latter responded positively to the incentives.

Many thoughtful Americans now realize that the Asia/Pacific area is a major source for our continued well-being. Indeed, much of our attention to this region is directed at *economic* issues.

The dynamic growth of the Asia/Pacific region as a whole stands out dramatically in comparison to Europe, Latin America and Africa. Since the early 1980s, the world's trading environment has indeed become very uneven, and in the last two decades, Asia and the US have become critically important markets for each other. In this period, US exports to the Asia/Pacific region, excluding Japan but including South Asia, rose sixfold—from \$ 4 billion to \$ 24 billion—and US imports from developing Asia increased seven times. US investment in this area also has more than doubled in a decade.

The Asia/Pacific region now readily surpasses Europe as the major trading partner of the United States, and the trend is likely to continue. Asia presently buys 34 per cent of all US grain exports, 17 per cent of US machinery, 25 per cent of its chemicals, 28 per cent of its civilian aircraft, and 62 per cent of its lumber exports. Taken together, the value of merchandise moving across the Pacific has increased more than ten-fold in the last decade.

REGIONAL COOPERATION: PROBLEMS AND OPPORTUNITIES

Despite this increase in economic activity, for most Americans, Asia is a distant place, physically and psychologically. Overall, however, not enough is known by Americans about South Asia. We do know that it holds a billion people, that it is a place of great civilizations, and is culturally rich. The United States excels in technological advances, but is disadvantaged in its knowledge of other peoples and cultures, including India.

Vast differences in language and culture widen the gulf, as we face the prospect of exceedingly diverse societies trying to deal with each other within new and developing relationships. The net result is ambivalence, and while we in America appreciate the growing importance of the region politically, economically and culturally, our capacity for dealing with Asia is still quite limited.

It is my belief that the underlying problem in this continuing difficulty of working with and in Asia, is cultural rather than political or economic. But this is gradually changing, as Americans of Asian origin begin to make significant contributions. People like S. Chandrasekhar and H.G. Khorana, the Nobel Prize-winning scientists of Indian origin, and Zubin Mehta, the world-renowned symphony conductor, draw attention not only to their country of origin, but to the common interests and values shared by India and the United States.

Many problems of common concern emerge as the region itself develops. Working with Asia brings to the forefront the question of how cultural differences among societies affect the manner in which each society views a problem or implements a programme. Cultural differences between US and England or France and Italy are really not that great, but in Asia, the differences are dramatic. This is particularly important in attempting multinational approaches to problems of hunger, poverty and disease.

One of the regional problems we try to deal with at the Center is population. More than half the world's popula-

tion lives in this region, with India ranking second, having 30 per cent of the region's peoples. India's population is expected to go over one billion in the next two decades, despite a slowed growth rate. How will these numbers be housed, fed, employed, educated, inspired?

Within the region, our projections show that the migration from rural to urban areas, combined with increased urban births, will lead to 900 million more urban dwellers at the end of a quarter century than there are now. This is the equivalent of 100 new Los Angeleses or Calcuttas. Where will they be located? How will water, food and transportation be provided? If there are to be 900 million more urban dwellers in 25 years, we must work on sewer lines, safe water and other infrastructure now, as well as create the many more new jobs that will be needed.

Similar questions can be asked about critical energy needs. Petroleum, coal, oil, nuclear energy pose problems of safety, waste disposal, health and environment. We know there are untapped resources and needed improvements in existing systems of production and distribution, as well as the development of land and ocean resources.

The developing area of information and communication presents some new and exciting challenges as well as increased demands upon our resources. The launching of INTELSAT during the 1960s by a consortium of 108 countries advanced international communication for the region. Indonesia's PALAPAI in 1976, followed by PALAPA II in 1984, allowed other Southeast Asian countries to improve their communication capabilities through leased channels. INSAT B2 owned by the Indian government and launched in 1982 linked remote areas to government administration centres within the country.

Increasing satellite communications systems allows greater telephone capabilities on the ground within countries and between countries. It improves reception and transmittal facilities, and quickens the relay of data, news and business

information. It expands opportunities for community viewing centres in rural areas.

In India, the effects of satellite television on these community viewing centres were part of an earlier study, the Satellite Instructional Television Experiment or SITE conducted by Indian scholars from 1975 to 1976. As you know, the objective of this study was to improve primary school education, provide teacher training, and help improve public education of the village audience. An encouraging finding was that SITE helped to narrow the information gap, and that those villagers who started with the least knowledge learned the most.

I mention these issues of population, energy, environment and telecommunication because they are areas of great interest to India, and because they are exactly the problems in which the East-West Center specializes. I would like to explore later how we might work together on some of these issues.

HOW INDIA LOOKS TO AN OUTSIDER

The US and India have had particular problems in trying to expand and deepen mutual understanding, partly due to the European orientation of the US, and India's historical links with other Asian countries and the British Commonwealth. But our philosophical inclinations and preferences are similar. We are the world's two largest democracies, and have populations consisting of a large number of different cultures. What then might our basis be for furthering mutual understanding despite many differences?

The US and India are both large continental countries, and like most large countries tend to look inwards when dealing with problems and concerns. In addition, for the US, the oceans acted as barriers, providing security but also promoting isolation. When we do look outward, by reason of cultural and ethnic roots, our attention is directed heavily toward Europe.

Perhaps because we do not know as much as we ought to about India, to an outsider, India's national tasks have seemed formidable. Since independence in 1947, India has been engaged in an enterprise virtually unparalleled in human history—the provision of basic needs to one-sixth of mankind within the span of one or two generations. It is known that when this early effort was launched there were more than the usual gaps to fill: not enough data, not enough books, not enough guidance from the experience of other countries because political, economic, social and technological conditions were altogether different. There was also the diversity of ethnic and religious groups, languages, dialects, and several different economies working in the country at the same time.

Utilizing the strategy of 'planned development', performance under the series of five-year development plans shows growth from an annual rate of 3.6 per cent in the 1950s to around 5 per cent in the 1980s. US exports to India between 1977 and 1983 more than doubled from \$ 779 million to \$ 1828 million and US imports from India almost tripled from \$ 865 million to \$ 2334 million during the same period. We've also seen India move from a narrow industrial base of jute/cotton textiles, some coal mining and one steel mill at the time of independence, to the manufacturing of highly developed heavy industrial goods, some as sophisticated as any in the world in the areas of chemicals, fertilizers, textile machinery, and power transformers.

Economic Growth and Population Trends

In aggregate, India has one of the world's largest economies, but on a per capita basis, it has one of the lowest gross domestic products. The recent experience in several parts of the country has shown that much of India's agricultural land can be rich when properly irrigated and tended, and the country is wealthy in minerals as well. At least to persons from other countries, the large subsistent rural sector seems to be the most troublesome, with too many people living below the poverty line, and not making their potential contribution to the development of the country. While infra-

structure development is taking place, parallel investments in health, education, and training skills is likely the next major step. The East-West Center has been actively engaged with the Indian Government through out Population Institute on developing methods by which information on health, nutrition, and family welfare can be disseminated to rural communities. Two of a country's most important resources are its land and people, and here India does not lack.

Production and export of manufactured goods have been rising and are likely to play an even larger role in the future. According to many international economic studies, a steady growth rate of 5.5 per cent is needed to eliminate poverty, in combination with deliberate policies to distribute growth evenly and reduce population growth. Such economic expansion will have to rely substantially on the manufacturing and industrial sectors.

Meeting Energy Needs

India has been fortunate in having a diversified energy system, not as dependent on imported oil as many other countries of the region. This has undoubtedly contributed to the continued growth of the Indian economy during a period that saw recessions in many other countries of the world, including the US. But it is generally agreed that energy use in India will have to increase considerably, perhaps tenfold, if India's plans for modernization are to be realized. The diversified energy base provides the country with a number of options, several of which could be developed.

Until very recently, the largest share of energy in India was supplied by the so-called 'non-commercial' energy sources—firewood and animal—and agricultural wastes. India has been a pioneer in this field, and some of the experiments being undertaken here on fast-growing firewood trees, on biogas, energy-efficient stoves, and solar heating are of great interest to many of the countries with which we work.

Coal is the largest source of commercial energy in India. To those of us who grew up after World War II, in an

era dominated by petroleum, it is difficult to remember that the industrial revolutions in Europe and the United States were powered by coal. This also will likely be the case in the two most populous countries in the world—China and India.

Both of these countries have large coal reserves but most of these are located quite far from many of the demand centres. Even though the coal could be mined, present transportation systems would need to be expanded greatly if they are to handle larger amounts of coal.

Coal is also an energy source that has significant environmental problems associated with its use, as the residents of Delhi know well. With the increased emphasis being given to environmental protection in India, the administrators and the planners in this distinguished audience are likely to have the exciting challenge of simultaneously meeting the energy and environmental goals of the country.

All this is, of course, known to you. The reason I have mentioned it here is that we have found that many of the countries in Asia and the Pacific, and elsewhere, have a number of similar concerns. Over the last six years, the East-West Center has undertaken a number of studies dealing with several aspects of the energy sector, including those that I have just mentioned. We have been greatly assisted in this work by the valuable input from a number of Indian institutions, including the Ministry of Energy, the Department of Environment, the National Thermal Power Corporation, and the Tata Energy Research Institute.

Managing the Environment

The enormous personal interest taken in environmental matters by the late Prime Minister of India, Mrs. Indira Gandhi, gave a great boost to efforts to protect and improve the quality of the environment in the country. There is every indication that this concern is shared by Prime Minister Rajiv Gandhi. Some work undertaken by India in this area has attracted attention in a number of countries.

As an example, the approach to setting ambient air quality standards adopted by India is quite different from that adopted by a number of the European countries, Japan, and the United States. Instead of setting uniform standards for all areas as the other countries have done, India has set standards that depend on the type of area; *i.e.*, whether it is primarily a residential, historic, or industrial area. Interestingly, a similar approach has been adopted by China. It is possible that this approach may be easier to implement in countries at a specific stage of industrialization.

Over four years ago, the East-West Center co-sponsored a workshop with the Department of Environment, Jawaharlal Nehru University, and Indian Petrochemicals Ltd. The workshop, held at Baroda and Bombay, brought together a number of government officials and scientists from India, China, Japan, the US, and several other countries, to examine ways in which air quality could be managed. The experiences of the countries were shared, and the extent to which they could be used elsewhere were analyzed.

Some of the earliest work on air pollution in rural areas due to the use of firewood and animal wastes was undertaken in India, jointly by Indian scientists and East-West Center staff. It was found that persons involved in cooking with firewood could be exposed to high levels of air pollution—equivalent in many cases to smoking 20 packs of cigarettes a day. Work continues on strategies for reducing these problems.

Preserving Cultural Heritage

The world has been enriched for thousands of years by the important cultural contributions made by India. Much of the world hopes that, India, as it modernizes, will continue to preserve the most important aspects of Indian culture. Even though there has been a lot of controversy about the effects of air pollution on the Taj Mahal, the historic monuments may be the easiest aspect of a cultural heritage to protect. Because they are so visible, possible deterioration can be seen and countermeasures taken. Other aspects of a

society's culture are more difficult to protect against the onslaught of global uniformity.

India has had an incredible richness in its art, music, poetry, drama, philosophy, and social relationships. Ways need to be found to protect and nourish the most important parts of India's cultural heritage, even as the country seeks greater affluence. It is not impossible, as the example of Japan has shown us. But it is too risky to imagine that it will happen by itself.

The Humanities programme at the East-West Center has been greatly strengthened in recent years to address the many aspects of the extremely rich and long cultural heritage of the region. We have had the benefit of receiving the valuable input of many distinguished Indians in the shaping of our Humanities programme, and look forward to a continuation and strengthening of this interaction.

INTEGRATING INFORMATION FOR THE REGION

Many of these concerns that India has are shared in the region, as is the awareness of the need to integrate related research and to make the analysis available to policymakers throughout the region. The sheer volume and importance of information being generated for, by, and about Asian-Pacific countries is astounding. Rapid development of satellite systems and computer technology in the region make it imperative that we maintain systematic ways of exchanging timely data and of integrating our research and training efforts.

One of the distinct advantages of the East-West Center is its non-traditional academic structure, allowing easier development of cooperative projects and collegiality with scholars and other educational and research institutions in the region. Cooperative activities have been undertaken with a number of universities and research institutes in India, including those already mentioned.

Many of us work in the knowledge sector, and because of the impact of the computer and advancements in telecom-

munications, nowhere is the snowballing effect of massive amounts of data more pronounced than in those occupations that we are engaged in. We now have the means to gather, analyze and transmit appropriate data to public policy-makers and public administrators, where decision making and policy implementation especially depends on information that is timely and able to be quickly updated.

Increasingly sophisticated technology has had a net effect of faster information flow through communication channels, collapsing the time it takes between the production and application of information. Within hours, people in different countries can exchange information that would otherwise take weeks or months by conventional means.

The utilization and value of information as a resource will depend on our ability to organize and manage its proliferation. With 6000 scientific and technical articles being written each day, scientific and technical information is expected to double every five years. It is expected to increase by 40 per cent more per year with the further advancement of powerful information systems and an increasing population of scientists. We may well end up drowning in information, even as we starve for more—especially in crucial areas.

Within the region, the relationship between investment in telecommunications infrastructure and policy development is clear. The development of telephone lines, community radio stations, and public call offices for rural areas can go far to promote 'functional' literacy; *i.e.*, information tailored to meet specific community needs in such areas as child care, public health practices, nutrition and the efficient uses of agricultural pesticides and fertilizers.

This development of 'topical' information can also strengthen two-way interactive communication as an alternative to the traditional top-down flow of communication. In this way, people can begin to feel more involved and become a vital part of identifying their own information needs. It allows us to further expand opportunities for the develop-

ment of human resources and democratic practices in solving some of our mutual problems.

We should not overlook, however, the potential problems that come with the advent of the INTELSATs, INSAT B2s, and PALAPA IIs. What of the impact of increased communications and improved television reception and transmission within a country and between countries in the region? What of its impact on urban and rural consumer habits, traditional cultural values, language and literacy?

Some of these issues have long been of interest to us at the Center. A six-year study (1976-1982) in Indonesia found that villagers who watched TV improved their ability to understand the national language, increased their knowledge about rural development programmes, knew more about family planning, participated more actively in village organizations related to development, and made more efficient use of their financial resources. However, the TV viewers also purchased more of the consumer goods advertised on television. The Indonesian government has now banned all TV advertising.

In another study involving the Center and Chengchi University in Taipei, Taiwanese villagers were found to maintain their traditional cultural values such as ancestor worship and close family relations despite heavy penetration of television in the villages. The reason is that television in Taiwan features many traditional drama programmes that espouse old cultural heritages, and these were found to be most popular TV programmes in the villages. When given a choice between traditional Chinese drama and American TV programmes, Taiwanese village audiences overwhelmingly chose the former.

Research is also being conducted at the Center on the economics of communication, including work on the financial and social impact of India's INSAT B. Another Center project involves the use of 'native reader' groups to assess the accuracy of non-native newspaper reports about their countries. Indian students at the East-West Center are enthusiastic participants in this project.

I have gone into some detail on the areas of telecommunication and information—areas where the East-West Center and various Indian institutions, including this Institute, can work together. Time precludes a similar treatment for energy, environment, trade, management, and other issues, although such could readily be done. I think it is extremely important, for the sake of our countries and of the entire region, that this kind of cooperation and interchange be greatly strengthened and expanded.

From our experience at the East-West Center over the past 25 years, we know that such bilateral and regional cooperation *is* possible and *is* mutually beneficial for all participants. We also know that developing this kind of cooperation is not easy. The process is impeded by bureaucratic rigidities, intellectual inertia and insufficient understanding on all sides.

I call on all of us: If we believe that the development of cooperation is important for our individual and national futures, let us work together *now* to remove each and every one of these impediments, so that we can get on with the work that must be done. The Asia/Pacific region is too important and its needs too great for us not to expand cooperation with each other, thereby learning from each other's experiences and avoiding unnecessary duplication of efforts.

CONCLUSION

For the remaining decades of the twentieth century, even if aggregate growth slackens, the Asia/Pacific region is likely to still retain the world leadership in growth performance. Using fairly conservative growth figures of 6-8 per cent, the ASEAN countries alone are expected to have a total GNP by the year 2000 equivalent to Japan's present GNP.

The nature of this growth can be found in part in the development policies of the faster growing countries, and these policies are well worth looking at in terms of extra-

lating what might be useful to other countries. In addition, the composition of export and the direction of trade indicates that there is a high degree of interdependence among the more rapidly evolving nations of the region. In the future, we can run together, or limp together, or stumble together, but we cannot completely part company. At the same time, interdependence carries with it some risks, both political and economic. Nevertheless, if this joining together of the region's resources can be done in a positive manner, the result can be a whole that is greater than the sum of its parts, with larger shares for all.

On the cultural side, not much need be said about the Asia/Pacific region beyond the simple assertion that it contains the richest collection of human development and diversity in the world. This diversity presents us with the best opportunity for developing creative patterns of cooperation and human enrichment. But it also is fertile ground for producing misunderstanding.

I should add here that in terms of limited capacity to deal with others, virtually the same can be said of the capacity of Asia/Pacific nations to deal with the United States and, indeed, to deal with each other. And consequently, in their own enlightened self-interest, these nations also need to significantly expand interchange and improve public understanding.

Social and economic progress can occur, and I believe that knowledge is going to play a key part in all of this. The Center's established networks of cooperation can serve to identify information gaps and ways to close these gaps. But unorganized, outdated information is not a resource. The value of information depends on its quality, as well as who gets the information, and who can evaluate, interpret and synthesize and act on it. Through ongoing programmes of collaborative research and training, much can be done together. An active information network where we seek the counsel and participation of colleagues in the region will help determine what is useful and what is needed.

If one thinks of the world that could be and tries to envision what we might accomplish if we could overcome our political problems, if we could learn to deal with cultural differences, if we could develop better ways of cooperating with each other, then the coupling of new technological advances with new resources and better management leads one to be very optimistic about the future of this world. This is not just blind faith. After all, history is on our side. This is rather an agenda for ourselves, both as individuals and as countries.

We look to cooperatively working *with* India in establishing ways of organizing information so that it is useful to decision makers throughout the region. In this way, we can achieve the development of public policies that can put new knowledge to work and improve the quality of life of the peoples of the region.

